

Message Text

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ACTION AF-04

INFO OCT-01 ISO-00 SS-14 EB-03 INR-05 IO-03 L-01 /031 W

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P 161435Z JUL 76

FM AMEMBASSY KINSHASA

TO SECSTATE WASHDC PRIORITY 8796

C O N F I D E N T I A L KINSHASA 6052

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E.O. 11652: GDS

TAGS: ECON, EAID, CG

SUBJECT: IBRD CONSULTATIVE GROUP FOR ZAIRE

REF: A) KINSHASA 5794; B) STATE 166010

1. IBRD ZAIRE DESK HEAD WIEHEN CALLED ON ME JULY 14. HE SAID HE HAD THAT MORNING DELIVERED TO BISENGIMANA BANK PRESIDENT MCNAMARA'S LETTER TO MOBUTU. LETTER MADE TWO MAIN POINTS: (A) BANK WILL REORGANIZE ITS ZAIRE OPERATIONS ALONG LINES OUTLINED REFTELS AND WILL DEFER PROCEEDING WITH PREVIOUSLY PLANNED EXPANSION OF ITS FINANCIAL SUPPORT TO ZAIRE PENDING FURTHER ASSESSMENT OF FINANCIAL/ ECONOMIC SITUATION; (B) BANK PROPOSES MEETING OF CONSULTATIVE GROUP.

2. WIEHEN SAID HIS MEETING WITH BISENGIMANA HAD NOT GONE WELL. HE SAID BISENGIMANA HAD REACTED "NEGATIVELY" TO THE IBRD'S DECISION TO SLOW DOWN ITS SUPPORT ACTIVITIES IN ZAIRE AND HAD MADE NO COMMENT AT ALL ON THE PROPOSAL TO REACTIVATE THE CONSULTATIVE GROUP. WIEHEN SAID HE WOULD NEVERTHELESS PROCEED WITH CONSULTATIONS WITH OTHER GOZ OFFICIALS AS WELL AS LOCAL REPRESENTATIVES OF OTHER DONOR COUNTRIES. HE HAS NO PLANS TO SEE MOBUTU, WHO REMAINS OUT OF TOWN.

3. ON JULY 15 SERGE GUETTAN IBRD RESIDENT REPRESENTATIVE, GAVE ME HIS ACCOUNT OF BISENGIMANA MEETING WHICH HE ALSO ATTENDED. GUETTA SAID THAT THE MEETIN WAS A DISASTER; THAT
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WIEHEN'S HEAVY-HANDED PRESENTATION HAD TURNED BISENGIMANA

COMPLETELY OFF, TO THE POINT THAT BISENGIMANA DID NOT EVEN READ THE LETTER AND INSTEAD CIRITICIZED THE BANK FOR ACTING IN BAD FAITH. GUETTA CONFIRMED THAT BISENGIMANA HAD FOCUSED ON THE BANK'S DECISION TO SCALE DOWN ITS FUTURE OPERATIONS AND HAD SAID NOTHING ABOUT THE CONSULTATIVE GROUP. GUETTA CLAIMED THAT HE HAD FULLY BRIEFED BISENGIMANA ON THE BANK'S INTENTIONS BEFORE WIEHEN'S ARRIVAL AND THAT BISENGIMANA HAD NOT EXPRESSED CONCERN. WIEHEN'S LONG-WINDED PREACHING, HE SAID, HAD RUINED AN OTHERWISE WELL-CONSTRUCTED PRESENTATION CONTAINED IN THE MCNAMARA LETTER. GUETTA ALSO CONFIRMED THAT HE AND WIEHEN WOULD BE SPENDING REST OF THIS WEEK TRYING TO GAIN UNDERSTANDING AND SUPPORT OF OTHER GOZ OFFICIALS.

4. I HAVE LITTLE DOUBT THAT GUETTA HAS PLAYED AN UNHELPPFUL ROLE IN THIS WHOLE MATTER, GIVEN HIS SCARCELY-HIDDEN OPPOSITION TO THE BANK'S ADOPTION OF A MORE CAUTIOUS ATTITUDE TOWARD ZAIRE AND HIS UNHAPPINESS AT BEING ORDERED BACK TO WASHINGTON. GUETTA HAS BEEN CLOSE TO BISENGIMANA AND IT IS HARD TO BELIEVE THE LATTER'S NEGATIVE REACTION TO WIEHEN'S PITCH CAME AS ANY SURPRISE. WHATEVER THE CIRCUMSTANCES, THE IMPORTANT FACT FOR US IS THAT THE BANK'S PROPOSAL TO RECONSTITUTE THE CONSULTATIVE GROUP IS OFF TO AN UNFORTUNATE START, AT LEAST WITH RESPECT TO THE PRESIDENT'S CHIEF ADVISER. THIS OF COURSE DOES NOT MEAN THE OTHERS, INCLUDING PRESIDENT MOBUTU, WILL NECESSARILY RESIST THE IDEA, OR FOR THAT MATTER THAT BISENGIMANA HIMSELF WILL NOT EVENTUALLY COME AROUND TO GIVING IT HIS BLESSING. WE SHOULD HAVE A SOMEWHAT BETTER VIEW OF THESE PROSPECTS AFTER WIEHEN HAS TALKED TO BOFOSSA, SAMBWA AND OTHERS IN THE GOZ AS WELL AS WITH THE BELGIANS, FRENCH AND OTHER REPS HERE OF DONOR GOVERNMENTS. BUT WITH MOBUTU AWAY AND THE LIKELIHOOD THAT WORD OF BISENGIMANA'S INITIAL REACTION WILL GET AROUND, I AM NOT SANGUINE THAT MUCH CAN BE ACCOMPLISHED NOW.

5. AS FOR OUR OWN COURSE OF ACTION, ASST SEC SCHAUFLELE DID NOT RAISE THE CONSULTATIVE GROUP DURING HIS MEETING WITH MOBUTU JULY 13 BECAUSE TO DO SO WOULD HAVE BEEN TO GET OUT AHEAD OF THE IBRD, THE PRINCIPAL ACTOR IN THIS MATTER. (WIEHEN DID NOT ARRIVE IN KINSHASA UNTIL THE EVENING OF JULY 13 AND PRESENTED THE BANK'S LETTER THE FOLLOWING DAY, AFTER SCHAUFLELE HAD LEFT.) I CONTINUE TO BELIEVE THAT THE SITUATION HERE REQUIRES CLOSER CONFIDENTIAL

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CONSULTATIONS AND COOPERATION AMONG DONOR GOVERNMENTS THAN HAS BEEN ACHIEVED TO DATE. AND, AS ALREADY REPORTED, I BELIEVE THAT WE SHOULD PROCEED TOWARD THIS OBJECTIVE IN SUCH A WAY THAT WE NOT FIND OURSELVES ALL ALONE IN PUSHING A FORMULA THAT IS NEITHER ACCEPTABLE TO THE GOZ NOR SUPPORTED BY OUR DONOR COLLEAGUES. OUR EXPERIENCE AT LAST MONTH'S PARIS CLUB MEETING, WHERE OUR RESERVATIONS -- HOWEVER WARRANTED THEY MAY HAVE BEEN -- WERE RESENTED BY THE GOZ AND NOT SUPPORTED BY OTHER PARTICIPANTS,

SHOULD BE CAREFULLY CONSIDERED AS WE DECIDE ON TACTICS FOR ACTIVATING CONSULTATIONS. I ALSO BELIEVE WE SHOULD KEEP AN OPEN MIND REGARDING BOTH THE TIMING OF CONSULTATIONS AND THE POSSIBILITY OF THEIR TAKING SOME FORM OTHER THAN THE OLD CONSULTATIVE GROUP, AS DISCUSSED REF A.

6. I THEREFORE SUGGEST THAT BEFORE WE TAKE ANY FURTHER ACTION OF OUR OWN WE LET THE DUST SETTLE A BIT AND ASSESS BOTH HERE AND IN WASHINGTON THE RESULTS OF ALL OF WIEHEN'S CONSULTATIONS WHEN THEY ARE COMPLETED AT THE END OF THIS WEEK. IF WE CONCLUDE THAT THE TIME IS RIPE TO MOVE AHEAD, WE CAN THEN APPROACH THE GOZ -- PREFERABLY STARTING WITH BISENGIMANA AND MOVING ON TO MOBUTU -- AND ENCOURAGE OTHER DONOR GOVERNMENTS TO MAKE PARALLEL APPROACHES.
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Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: FINANCIAL PROGRAMS, DEBT REPAYMENTS, DEVELOPMENT BANKS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 JUL 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: KelleyW0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976KINSHA06052
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760275-0530
From: KINSHASA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t19760751/aaaabspj.tel
Line Count: 129
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION AF
Original Classification: CONFIDENTIAL
Original Handling Restrictions: STADIS, LIMDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 3
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: STADIS, LIMDIS
Reference: 76 KINSHASA 5794, 76 STATE 166010
Review Action: RELEASED, APPROVED
Review Authority: KelleyW0
Review Comment: n/a
Review Content Flags:
Review Date: 23 APR 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <23 APR 2004 by CunninFX>; APPROVED <17 AUG 2004 by KelleyW0>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: IBRD CONSULTATIVE GROUP FOR ZAIRE
TAGS: ECON, EAID, CG, IBRD
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006